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STR-08 TRSE-00 SAJ-01 PA-04 PRS-01 DRC-01 IO-14 /185 W
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O R 211912Z JUN 74
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC IMMEDIATE 1173
AMEMBASSY LONDON
AMEMBASSY ROME
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USMISSION OECD PARIS
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E.O. 11652: GDS
TAGS: ENRG, BE
SUBJECT: ENERGY COORDINATING GROUP: CHAIRMAN'S NOTE
FOR JUNE 27-28 IEP WORKING PARTY

FOLLOWING IS TEXT OF DAVIGNON'S NOTE PREPARED FOR THE
JUNE 27-28 MEETING OF ECG WORKING PARTY. BEGIN QUOTE:

INTRODUCTION
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THE WORKING GROUP HAS AVAILABLE TO IT THE OECD REPORTS

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AND THE U.S. PROPOSAL FOR AN INTEGRATED EMERGENCY PROGRAM.
BOTH THE OECD AND THE U.S. ENVISAGE NATIONAL AND INTER-
ANTIONAL MEASURES.
I. TO RESPOND QUICKLY TO A DISRUPTION OF OIL
SUPPLIES (EMERGENCY MEASURES).
II. TO REDUCE CONSUMER DEPENDENCE ON IMPORTED OIL
(LONGER-TERM MEASURES).
THE OECD HAS EXAMINED IN DETAIL THE GENERAL CIRISIS
MEASURES OF OIL ALLOCATION, DEMAND RESTRAINT AND
EMERGENCY SUPPLIES AND POINTS TO THE NEED FOR COMBINING
THESE ELEMENTS. THE US PROPOSAL INTEGRATES THESE BASIC
ELEMENTS IN ONE SINGLE SYSTEM FOR INTERNATIONAL COOPERA-
TION AND PROVIDES FOR INTERNATIONAL ALLOCATION ON THE
BAISIS OF PREVIOUSLY AGREED COMMITMENTS ON EMERGENCY
DEMAND RESTRAINT AND ON EMERGENCY SUPPLIES.
A. EMERGENCY DEMAND RESTRAINT:
(A) US APPROACH
1. THE US CONCEPT IS THE COMMITMENT BY EACH COUNTRY
IN ADVANCE TO RESTRAIN IN AN EMERGENCY ITS CONSUMPTION
OF PETROLEUM AND SUBSTITUTABLE FORMS OF ENERGY BY A
COMMON LEVEL. THIS WOULD REQUIRE THE ESTABLISHMENT BY
EACH COUNTRY OF A PACKAGE OF STAND BY MEASURES WHICH
WOULD HAVE THE CAPABILITY TO RESTRAIN DEMAND BY THE
AGREED COMMON LEVEL.
2. THE WORKING GROUP WILL WISH TO CONSIDER:
(I) THE FUNDAMENTAL RELATIONSHIP, IN TERMS OF
BURDENSHARING, OF AN AGREED LEVEL OF DEMAND RESTRAINT
TO THE AMERICAN PROPOSAL FOR THE ALLOCATION OF OIL
DURING A CRISIS;
(II) WHETHER THE DEMAND RESTRAINT COMMITMENT
SHOULD BE THE SAME FOR ALL COUNTRIES OR WHETHER IT
SHOULD BE DIFFERENTIATED.
(III) WHETHER ONE PREVIOUSLY AGREED LEVEL OF
DEMAND RESTRAINT IS SUFFICIENT OR WHETHER THERE MIGHT
BE A SECOND, HIGHER LEVEL WHICH WOULD BE TRIGGERED AS
A SUPPLY EMERGENCY INTENSIFIED.
3. IN ADDITION TO THE ABOVE, THE FOLLOWING SPECIFIC
ISSUES MIGHT BE RAISED:
(I) THE POINT OF REFERENCE FOR THE DEMAND
RESTRAINT COMMITMENT WHETHER IN TERMS OF OIL, OR TOTAL
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ENERGY CONSUMPTION.
(II) THE POINT OF REFERENCE FOR THE MEASURE-
MENT OF DEMAND RESTRAINT IN TERMS OF THE BASE TIME
PERIOD. AN ARBITRARY, BUT UNCOMPLICATED REFERENCE POINT
COULD BE THE AVERAGE DAILY RATE CONSUMPTION DURING THE
MOST RECENT TWELVE MONTH PERIOD FOR WHICH STATISTICS
ARE AVAILABLE-OR ACTUAL CURRENT CONSUMPTION.
(III) A RANGE OF POSSIBLE LEVELS FOR ONE

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OR POSSIBLY TWO SEPARATE DEMAND RESTRAINT COMMITMENTS.
(IV) PROCEDURES TO EVALUATE THE COMPLIANCE
BY EACH COUNTRY WITH ITS COMMITMENT TO ESTABLISH
A PACKAGE OF DEMAND RESTRAINT MEASURES. THE CHOICE
APPEARS TO BE BETWEEN S SYSTEM IN WHICH COUNTRIES
SIMPLY ACCEPT EACH OTHERS' UNDERTAKINGS TO COMPLY WITH
A GLOBAL DEMAND RESTRAINT PERCENTAGE, AND REVIEW OF
IMPLEMENTATION EX POST, AND A JOINT MONITORING MECHANISM
INVOLVING VERY CONSIDERABLE TECHNICAL RESOURCES.
B. EMERGENCY SUPPLIES
(A) US APPROACH:
1. THE U.S. CONCEPT IS THE DEVELOPMENT OF
A COMMON EMERGENCY SELF-SUFFICIENCY
CAPABILITY.
- EXPRESSED IN TERMS OF THE SAME NUMBER
OF DAYS EACH COUNTRY COULD LIVE WITHOUT
IMPORTS;
- THE POINT OF REFERENCE BEING EITHER THE
NORMAL CONSUMPTION OR AN AGREED COMMON
LEVEL OF RESTRAINED CONSUMPTION DURING THE
MOST RECENT TWELVE MONTH PERIOD.
2. ALTERNATIVE CATEGORIES OF EMERGENCY SUPPLIES
WHICH GOVERNMENTS WOULD COMMIT THEMSELVES TO
DEVELOP ARE:
- EMERGENCY OIL STOCKS;
-STANBY DOMESTIC OIL PRODUCTION
(PRODUCTION CAPACITY WHICH IS HELD IN
RESERVE FOR EMERGENCY PURPOSES)
-FUEL SWITCHING CAPABILITY (EITHER
STOCKS OR STANBY PRODUCTION OF FUELS
OTHER THAN OIL).
THE COMBINATION OF THESE CATEGORIES WOULD BE
LEFT TO THE POSSIBILITIES AND APPRECIATION OF EACH
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GOVERNMENT.
THE COUNTRY SELF-SUFFICIENCY CAPABILITY
COMMITMENTS OF X DAYS MUST TAKE DUE ACCOUNT OF THE
TIME-LAG NEEDED FOR STANBY OIL PRODUCTION AND FUEL
SWITCHING.
3. SPECIFIC ISSUES
THIS APPROACH SEEMS TO RAISE THE FOLLOWING
SPECIFIC ISSUES:
(I) AN IMMEDIATE TARGET OF ( ) DAYS
SELF-SUFFICIENCY ON THE BASIS OF NORMAL
CONSUMPTION OR ( ) DAYS ON THE BASIS
OF RESTRAINED CONSUMPTION. THE COMMITMENT
COULD BE TAKEN IN (JULY) AND PUT INTO
EFFECT IN (OCTOBER 1974).
(II) A COMMITMENT ON AN INCREASED EMERGENCY

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SELF-SUFFICIENCY CAPABILITY IN TERMS OF
AN ADDITIONAL NUMBER OF DAYS FIXED EITHER

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IN (JULY) OR LATER ON.
(III) WHETHER THE FELF-SUFFICIENCY COMMITMENTS
SHOULD BE SUBJECT TO CREDITS OBTAINED BY
A COUNTRY FOR LONG-TERM INVESTMENTS WHICH
WILL CONTRIBUTE TO THE LONG-TERM REDUCTION
OF THE GROUP'S DEPENDENCE ON IMPORTED
OIL EVEN THOUGH THEY DO NOT IMMEDIATELY

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IMPORVE THE SELF-SUFFICIENCY OF THAT
COUNTRY (CF. CHAPTER E.3).
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(IV) WHETHER EMERGENCY SUPPLIES SHOULD BE
MEASURED AGAINST NORMAL CONSUMPTION OR
AN AGREED COMMON LEVEL OF RESTRAINED
CONSUMPTION.
(V) A GENERAL DEFINITION OF EMERGENCY STOCKS
TO PERMIT GOVERNMENTS TO EVALUATE THE
COSTS OF THEIR COMMITMENTS UNDER THE
PROGRAM. A TECHNICAL COMMITTEE SHOULD BE
ESTABLISHED TO REFINE FURTHER THE
DEFINITION OF EMERGENCY STOCKS.
C. ALLOCATION OF AVAILABLE OIL
(A) US FORMULA
1. THE PRINCIPLES GOVERNING THE FORMULA ARE:
- A PRE-ESTABLISHED DEVICE ENSURING THAT
AVAILABLE OIL WILL BE ALLOCATED AMONG THE
PARTICIPATING COUNTRIES IN SUCH A WAY THAT
EACH COUNTRY RESPECTING ITS COMMITMENTS
WILL BE ABLE TO LIVE ON ITS EMERGENCY SUPPLIES
AT THE AGREED TARGET LEVEL FOR THE SAME
PERIOD.
-IN ANY GIVEN CASE, INDIVIDUAL COUNTRIES
MIGHT CHOODSE TO TAKE OTHER EQUIVALENT MEASURES
SUCH AS SPECIAL DEMAND RESTRAINT PROGRAMS-IN
LIEU OF HOLDING AND DRAWING DOWN EMERGENCY
SUPPLIES.
-A UNIFORM RATE OF DEMAND RESTRAINT IS APPLIED
TO ALL MEMBERS OF THE GROUP.
2. WHEN NOT THE GENERAL BUT ONLY THE SELECTIVE
TRIGGER IS PULLED AND DEMAND RESTRAINT HAS NOT
BEEN MADE MANDATORY, ALLOCATION WILL TAKE
PLACE ON THE SAME PRINCIPLES BUT MEASURED
AGAINST NORMAL RATHER THAN RESTRAINT CONSUMPTION.
3. IN SUMMARY, EACH COUNTRY'S "SUPPLY RIGHTS"
WOULD BE CALCULATED IN THE FOLLOWING MANNER:
SUPPLY RIGHTS (DAILY RATE) EQUAL PERMISSIBLE
CONSUMPTION (DAILY RATE) MINUS EMERGENCY
SUPPLY DRAWDOWN OBLIGATION (DAILY RATE).
WHERE:
"PERMISSIBLE CONSUMPTION" IS THE AVERAGE
DAILY RATE OF NORMAL OIL CONSUMPTION
DURING THE MOST RECENT TWELVE MONTH PERIOD
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IF EMERGENCY DEMAND RESTRAINTS HAVE NOT
BEEN ACTIVATED; AND IT IS THE RESTRAINED
RATE OF CONSUMPTION AFTER THE EMERGENCY
DEMAND RESTRAINT PROGRAM GOES INTO EFFECT.
"EMERGENCY SUPPLY DRAWDOWN OBLIGATION"
EQUALS COUNTRY EMERGENCY SUPPLY TARGET
DIVIDED BY EMERGENCY SUPPLY TARGET
GOR GROUP AND MULTIPLIED BY GROUP'S SUPPLY
SHORTFALL, I.E. THE GROUP'S SHORTFALL WILL
BE APPORTIONED AMONG THE INDIVIDUAL MEMBERS
IN PROPORTION TO THEIR EMERGENCY SUPPLIES
TARGET.
"SUPPLY SHORTFALL" IS THE SHORTFALL IN
OIL SUPPLIES FOR THE GROUP AS A WHOLE AS
MEASURED BY THE AGGREGATE OF PERMISSIBLE
CONSUMPTION FOR THE GROUP MINUS THE CURRENT
DAILY RATE OF OIL SUPPLIES (I.E. THE GROUP'S
PRODUCTION PLUS NET OIL IMPORTS) ACTUALLY
AVAILABLE.
ALL CALCULATIONS SHOULD BE MADE ON THE
BASIS OF TARGET RATHER THAN ACTUAL EMERGENCY SUPPLIES:
I.E. COUNTRIES FAILING TO MEET THE EMERGENCY SUPPLIES
COMMITMENT WOULD REMAIN MORE VULNERABLE THAN COMPLYING
MEMBERS.
4. THE FOLLOWING QUESTION SEEMS TO ARISE
WHETHER IN A LONG OR SEVERE CRISIS THERE SHOULD BE,
POSSIBLY IN CONJUNCTION WITH A SECOND LEVEL OF DEMAND
RESTRAINT, SOME CHANGE IN THE BASIS FOR CALCULATING SUPPLY
RIGHTS.
(B) OECD FORMULA:
1. AVAILABLE OIL, EXCLUDING STOCKS, WILL BE
ALLOCATED ON THE BASIS OF IMPORT SHARING IN
THE CASE OF A SLIGHT SHORTFALL, SWITCHING TO
CONSUMPTION SHARING AS THE CRISIS DEEPENS IN
ORDER TO ENSURE THE ESSENTIAL NEEDS (PARA 46
TO 49).
2. APPORTIONMENT OF CRUDE OIL WOULD BE BETWEEN
FIVE BLOCS OF COUNTRIES: NORTH AMERICA;
OECD-EUROPE; JAPAN; AUSTRALIA-NEW ZEALAND;
AND THE REST OF THE WORLD.
D. METHOD OF ACTIVATION OF EMERGENCY MEASURES
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(A) US-TRIGGER MECHANISM
1. GENERAL TRIGGER
MANDATORY DEMAND RESTRAINT BY ALL MEMBERS AND
INTERNATIONAL ALLOCATION SHALL BEGIN WHENEVER THE GROUP
AS A WHOLE SUSTAINS A REDUCTION OF TOTAL OIL SUPPLIES
EQUAL TO OR GREATER THAN 5 PERCENT OF THE AVERAGE

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DAILY RATE DURING THE MOST RECENT TWELVE MONTH PERIOD.
THE ISSUES ARE:
-THE LEVEL OF THE TRIGGER. SHALL IT BE PUT

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LOW OR HIGH? WOULD IT BE USEFUL TO FIX TWO
LEVELS TRIGGERING OFF TWO RATES OF DEMAND
RESTRAINT?
-THE POINTS OF REFERENCE AGAINST WHICH TO
MEASURE REDUCTION:
(I) SUPPLIES OR IMPORTS;

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(II) THE PERIOD.
2. SELECTIVE TRIGGER
INTERNATIONAL ALLOCATION SHALL BEGIN WHEN-
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EVER ANY MEMBER OF THE GROUP SUSTAINS A REDUCTION OF
IMPORTS EQUAL TO OR GREATER TAHN 5 PERCENT OF THE
AVERAGE DAILY RATE DURING THE MOST RECENT TWELVE MONTH
PERIOD.
THE ISSUES ARE THE SAME AS ABOVE.
3. INTERRUPTION OF SUPPLY NEEDS TO BE DEFINED.
THE US HAVE PROPOSED A LIST OF SITUATIONS
UNDER SHAPTER VII OF THEIR PAPER.
4. (I) TRIGGERING OFF
-HOW IS IT VERIFICE (CONSTATE) THAT THE
QUANTITATIVE CRITERIA OF THE MECHANISM EXISTS?
-HOW SOON AFTER VERIFICATION (CONSTATATION)
WILL MEMBERS HAVE TO PUT INTO FORCE THE
MEASURES TO WHICH THEY PREVIOUSLY AGREED.
(II) FAIL SAVE-DEVICE
AFTER THE FULL PROGRAM IS ACTIVATED THE
PARTICIPATING COUNTRIES CAN REVIEW THE
SITUATION.
(B) OECD TRIGGER MECHANISM
(I) CONDITIONS TO BE MET FOR ACTIVATING INTER-
NATIONAL ALLOCATION: CERTAIN CONDITIONS OF
A QUANTITATIVE NATURE TO BE AGREED UPON (A
SHORTFALL IN NORMAL OIL SUPPLIES OF SUCH
MAGNITUDE THAT OTHER COMPENSATORY ACTIONS
WHICH GOVERNMENTS AND INDUSTRY WOULD NORMALLY
TAKE, WOULD BE INADEQUATE TO THE TASK AT HAND);
(II) AUTOMATICITY OF THE TRIGGER: DETERMINATION
BY THE SECRETARIAT OF THE OECD THAT THE
CONDITIONS ARE MET WOULD BE PRESENTED TO THE
OECD OIL COMMITTEE. THE OIL COMMITTEE IN TURN,
WOULD REPORT THESE FINDINGS WITH ITS
COMMENTS TO THE COUNCIL OF OECD. THE
APPORTIONMENT SCHEME WOULD THEN BE IMPLEMENTED
UNLESS THE COUNCIL REJECTED THIS BY A MAJORITY
VOTE. THIS SEMI-AUTOMATIC OPTION WILL SOON
BE REFINED.
E. REDUCING DEPENDENCY ON IMPORTED OIL FOR THE LONGER
TERM
IT IS GENERALLY ACCEPTED THAT THIS GOAL SHOULD BE
ACHIEVED THROUGH NATIONAL AND INTERANTIONAL PROGRAMS
AIMING AT:
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-ENERGY CONSERVATION;
-DEVELOPMENT OF NEW PETROLEUM SOURCES;
-DEVELOPMENT OF ALTERNATIVE SOURCES OF ENERGY;
-RESEARCH AND DEVELOPMENT ON ALL ABOVE.
THE GROUP HAS RECEIVED RELEVANT MATERIALS AND
RECOMMENDATIONS FROM THE AD HOC GROUPS ON:
-CONSERVING ENERGY AND RESTRAINING DEMAND;
-ACCELERATED DEVELOPMENT OF CONVENTIONAL ENERGY
SOURCES (PETROLEUM AND OTHER SOURCES);
-ENERGY R AND D;
-URANIUM ENRICHMENT.
WHILE THE WORKING GROUP SHOULD LIMIT ITS DISCUSSION TO
THE PRINCIPLE OF INCLUDING THE LONG TERM COMMITMENTS LISTED
BELOW IN THE INTEGRATED EMERGENCY PROGRAM, THE WORKING
GROUP MIGHT RECOMMEND TO THE ECG TO SET-UP DURING ITS
NEXT MEETING A SPECIAL WORKING GROUP TO STUDY THE
ISSUES INVOLVED IN SUCH COMMITMENTS.
A) THAT SPECIAL WORKING PARTY MIGHT LOOK INTO EACH SET
OF RECOMMENDATIONS WITH FOLLOWIG QUESTIONS IN MIND:
-CAN DELEGATIONS AGREE WITH EVERY RECOMMENDATION PUT
FORWARD BY THE AD HOC GROUPS?
-DO DELEGATIONS FEEL THE RECOMMENDATIONS LISTED BY
EACH AD HOC GROUP, IF IMPLEMENTED, CONSTITUTE A
COMPREHENSIVE CO-OPERATIVE PROGRAM WHICH COULD LEAD
TO A SIGNIFICANT ENCOURAGEMENT OF ENERGY CONSERVATION,
OF DEVELOPMENT OF ALTERNATIVE SOURCES OF ENERGY, ETC?
B) THE WORKING GROUP MIGHT RECOMMEND TO INCLUDE IN THE
INTEGRATED EMERGENCY PROGRAM LONG TERM COMMITMENTS
TO REDUCE DEPENDENCY ON IMPORTED OIL WHICH WOULD
INCORPORTAT THE ROCOMMENDATIONS OF THE AD HOC GROUPS
BUT WHICH WOULD ALSO PROVIDE FOR:
1/ A SERIES OF INDIVIDUAL AND GROUP TARGETS FOR
IMPROVING THE EFFICIENCY OF ENERGY USE AND REDUCTION
OF NON ESSENTIAL CONSUMPTION.
2/ A PROGRAM OF COOPERATION DESIGNED TO SHARE THE COST
AND ECONOMIC RISKS OF THE ACCELERATED DEVELOPMENT OF
ALTERNATIVE SOURCES OF ENERGY SUPPLY.
ARRANGEMENTS WOULD BE TAKED:
(I) TO ASSURE INVESTORS OF A MINIMUM RETURN ON
THEIR INVESTMENTS; WHICH METHODS WOULD THE
PARTICIPATING COUNTRIES ADVOCATE:
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-A MINIMUM PRICE SYSTEM BASED ON A LEVY SYSTEM
-COMPULSORY LONG TERM DELIVERY CONTRACTS
-THE ESTABLISHMENT OF AN INTERNATIONAL GUARANTEE
INSTITUTION WHICH AFTER CONCRETE APPRECIATION OF
INDIVIDUAL PROJECTS WOULD GUARANTEE INVESTORS

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A CERTAIN LEVEL OF REMUNERATION ONCE NEW ENERGY
SOURCES HAVE BEEN BROUGHT ON STREAM.
(II) TO ENCOURAGE THE FLOW OF CAPITAL INVESTMENTS
FROM ONE PARTICIPATING COUNTRY INTO THE DEVELOP-

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MENT OF THE RESOURCES OF ANOTHER PARTICIPATING
COUNTRY.
3/ THE GRANTING OF INCENTIVES TO MEMBERS TO DIVERSITY
THEIR ENERGY SUPPLIES, WHICH MIGHT INCLUDE:
(I) A FORMULA FOR COMPUTING EMERGENCY SUPPLY

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TARGETS UNDER WHICH A COUNTRY RECEIVES "CREDIT"
FOR INVESTMENT EFFORTS WHICH WILL CONTRIBUTE TO THE
LONG TERM REDUCTION OF THE GROUP'S DEPENDENCE
ON IMPORTED OIL BUT WHICH DOES NOT IMMEDIATELY
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RESULT IN AN INCREASE IN THAT COUNTRY'S SELF
SUFFICIENCY BECAUSE:
-THE NEW SOURCES ARE OUTSIDE THE TERRITORIES
OF THE COUNTRIES OF THE GROUP THOUGH NOT UNDER
THE CONTROL OF THE MAJOR OIL-PRODUCING STATES.
-THE NEW SOURCES CAN ONLY BE BROUGHT ON STREAM
AT A LATER DATE.
(II) SHARING IN R AND D EXPENDITURES ON NEW PRODUCTION
METHODS AND MEANS TO IMPROVE EFFECIENCY USE FROM
SOURCES WITHIN THE GROUP AND IMPORTS FROM SOURCES
OUTSIDE THE GROUP.
F. GENERAL PROVISIONS
1. INFORMATION SYSTMES
A) IN THE U.S. APPROACH, THE GOVERNMENTS OF THE COUNTRIES
PARTICIAPTING IN THIS PROGRAM AGREE TO FURNISH AND TO
TAKE ANY NECESSARY STEPS TO ASSURE THAT COMPANIES
OPERATING IN THEIR COUNTRIES FURNISH DATA NEEDED FOR
THE PROGRAM. A PERMANENT SECRETARIAT WILL ESTABLISH
PROMPTLY AND MANAGE THE COMPREHENSIVE INFORMATION
SYSTEM REQUIRED FOR THE ADMINISTRATION IMPLEMENTA-
TION OF THIS EMERGENCY PROGRAM.
THE PERMANENT SECRETARIAT WILL CONVENE A SPECIAL AD
HOC COMMITTEE OF EXPERTS DRAWN FROM INDUSTRY AND
GOVERNMENTS TO ASSIST IT IN IDENTIFYING SPECIFIC DATA
NEEDED FOR THE EFFECIENT OPERATION OF THE PROGRAM AND
IN ESTABLISHING PROCEDURES FOR OBTAINING THIS DATA ON
A TIMELY BASIS.
IN ANNEX A IS GIVEN A PRELIMINARY LIST OF THE TYPES
OF NATIONAL AND INTERNATIONAL INFORMATION NEEDED FOR
THE PROGRAM.
B) THE OECD SCHEME PROVIDES FOR THE AVAILABILITY OF
DATA ABOUT PRODUCTION, TRANSPORT, SUPPLY SITUATION AND
CONSUMPTION SITUATION. FOR THE NORMAL SITUATION, IT
WOULD BE THE TASK OF THE OIL COMMITTEE GENERAL WORKING
GROUP TO INDICATE WHAT INFORMATION HAS TO BE COLLECTED
AND HOW. IN THE DETAINED INFORMATION SITUATION STAGE, THE
TAKS OF GATHERING THE DATA SHOULD BE THAT OF A UNIT OF
THE OECD SECRETARIAT. THE INFORMATION SHOULD BE PROVIDED
BY GOVERNMENTS AND OIL AND TRANSPORT COMPANIES. THE
INFORMATION FROM THE OIL INDUSTRY WOULD BE PROVIDED
THROUGH THE INTERNATIONAL INDUSTRY ADVISORY BOARD
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FROM THE TIME OF ACTIVATION OF THIS BODY.
2. CONSULTATION AND REVIEW
-PROVISIONS WILL BE REQUIRED FOR PERIODIC REVIEW
OF THE PROGRAM, ITS RELATIONSHIP TO THE LONG-TERM
COOPERATIVE EFFORTS OF THE PARTICIPATING COUNTRIES,
AND THE INTERNATIONAL ENERGY SITUATION.
-ANY COUNTRY WOULD BE ENTITLED TO REQUEST CONSULAT-
TIONS ON APPROPRIATE MEASURES ON 72 HOURS NOTICE IF:
(I) IT IS THE TARGET OF SELECTIVE DENIAL ACTION;
(II) IT BELIEVES A GENERAL EMERGENCY EXISTS.
3. ACTION IN NON-EMERGENCY SITUATIONS
IF A SITUATION ARISES WHICH DOES NOT CONSTITUTE AN
EMERGENCY BUT NEVERTHELESS CREATED OR THREATENS TO
CREATE DIFFICULTIES FOR ONE OR MORE COUNTRIES WITHIN
THE GROUP CONCERNING THE GUANTITY, THE COST, THE
COMPOSITION OF ITS SUPPLIES OR OTHER RELEVAN T ELEMENTS,
THE GROUP MAY DECIDE TO TAKE ANY APPROPORIATE ACTION
TO REMEDY THE SITUATION.
4. PREPARATORY WORK FOR SETTING-UP THE PROGRAM
PROVISIONS WILL HAVE TO BE MADE FOR THE INTERIM
MANAGEMENT OF THE PROGRAM UNTIL IT IS TAKEN OVER BY
A PERMANENT INSTITUTIONAL MECHANISM.
5. COORDINATION WITH INTERNATIONAL OIL INDUSTRY
PROVISIONS WILL HAVE TO BE MADE TO ENSURE THAT THE
INDUSTRY COMPLIES WITH ALLOCATION PATTERNS DETERMINED
UNDER THE PROGRAM.
ANNES A:
PRELIMINARY LIST OF THE TYPES OF NATIONAL AND INTER-
NATIONAL INFORMATION NEEDED FOR THE PROGRAM
DEMAND RESTRAINT:
-NORMAL NATIONAL CONSUMPTION ON THE BASIS OF THE
MOST RECENT TWELVE MONTH PERIOD, ACTUAL CURRENT
LEVELS, OR BOTH.
-THE ABILITY OF EACH COUNTRY TO RESTAIN CONSUMPTION
DURING TIMES OF EMERGENCY UNDER ITS COMMITMENTS IN
THIS PROGRAM.
-THE TIME REQUIRED TO IMPLEMENT DEMAND RESTRAINT
MEASURES.
-ACTUAL SAVINGS IN CONSUMPTION DURING PERIODS OF
SUPPLY EMERGENCY.
STANDBYSUPPLIES:
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-LEVELS OF EMERGENCY SUPPLIES IN NORMAL AND CRISIS
SITUATIONS, INCLUDING STOCKS, STANBY SUPPLIES, ETC.
-COMPLIANCE BY EACH COUNTRY WITH ITS EMERGENCY SELF-
SUFFICIENCY COMMITMENTS UNDER THE PROGRAM.

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INTERNATIONAL SUPPLY, DEMAND, AND MOVEMENT OF OIL:
-CURRENT AND PROJECTED LEVELS OF INTERNATIONAL SUPPLY
AND DEMAND.
-VARIATIONS FROM NORMAL LEVELS OF OIL SUPPLIES FOR

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ACTION EUR-25

INFO OCT-01 EA-11 ISO-00 CIAE-00 DODE-00 NSAE-00 NSCE-00

SSO-00 USIE-00 INRE-00 FEA-02 AEC-11 AID-20 CEA-02

CIEP-02 COME-00 EB-11 FPC-01 H-03 INR-10 INT-08 L-03

NSC-07 OMB-01 PM-07 RSC-01 SAM-01 SCI-06 SP-03 SS-20

STR-08 TRSE-00 SAJ-01 DRC-01 PA-04 PRS-01 IO-14 /185 W
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O R 211912Z JUN 74
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC IMMEDIATE 1177
AMEMBASSY LONDON
AMEMBASSY ROME
AMEMBASSY THE HAGUE
AMEMBASSY TOKYO
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMEMBASSY LUXEMBOURG
AMEMBASSY COPENHAGEN
AMEMBASSY OSLO
AMEMBASSY BONN
AMEMBASSY DUBLIN
USMISSION OECD PARIS

USMISSION EC BRUSSELS

C O N F I D E N T I A L SECTION 05 OF 05 BRUSSELS 4431

THE GROUP AS A WHOLE AND FOR INDIVIDUAL MEMBERS.
-AMOUNT OF OIL AVAILABLE TO GROUP AS A WHOLE DURING
AN EMERGENCY INCLUDING OIL AT SEA WHEN THE CRISIS
BEGINS. END QUOTE. FIRESTONE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
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Copy: SINGLE
Draft Date: 21 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740163-0773
From: BRUSSELS
Handling Restrictions: n/a
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To: STATE
Type: TE
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